



## UNCOVERING UNDEREMPLOYMENT

**Tapping into the potential of  
our workforce**

November 2019



# Foreword

## TORONTO PEARSON INTERNATIONAL AIRPORT

Toronto Pearson is more than just a transportation hub. Toronto Pearson is a small city—with 50,000 workers and nearly 400 employers—and we serve as the anchor of the second-largest employment zone in all of Canada, which surrounds Toronto Pearson and is home to 300,000 workers. Like a city, when the communities around Toronto Pearson thrive, we are best positioned to fuel success for the region now and into the future.

It is therefore incredibly important to us that the people who work at the airport, and those in neighbouring communities, have access to job opportunities that will allow them to reach their full potential and create prosperity for their families. Through our community investment fund, the Propeller Project, we want to address employment issues, and specifically the issue of underemployment and skilled people not occupying jobs that call on them to use the full breadth of their skills and education. We believe that the Propeller Project can help make a real difference. That is why we have collaborated with Deloitte on this research as a first step in defining underemployment—its barriers and potential interventions.

Our airport has experienced incredible growth over the last number of years and with that, we recognize that we have a growing role in the region's economy and the lives of the people around us. We also recently completed a full airport worker survey, the first of its kind at a Canadian airport. We wanted to better understand our current workforce, including future workforce requirements. Among many other takeaways, we learned that the airport provides a strong and stable work environment with opportunities for employee growth and development. This was reflected in employee satisfaction rates and attitudes toward working at Toronto Pearson.

We also found that underemployment exists within our airport community. With many of our workers using Toronto Pearson as their entry point into employment, we recognize that many of them want to build careers that use the skills and education they have.

The results of the workforce survey and this research undertaken by Deloitte will, going forward, underpin conversations about how key players can help tackle the issue of underemployment and work together to create meaningful job opportunities for local community residents and for Toronto Pearson employees.

This whitepaper also gives us guidance to better direct and focus our priorities for the Propeller Project and help us to connect with local organizations that foster talent and connect people to the right opportunities. We are committed to making direct investments and really championing on-the-ground solutions to this serious issue. We believe this will allow us to begin to move the needle on the issue of underemployment and make a real difference in the lives of our surrounding communities that we care so much about.



**Hillary Marshall**  
Vice-President, Stakeholder Relations and Communications  
Greater Toronto Airports Authority

# Foreword


## DELOITTE CANADA – MAKING AN IMPACT THAT MATTERS

The future of Canada as an inclusive and prosperous nation is dependent on our ability to take action today to ensure that the next generation has the aspiration, opportunities, and skills to become the leaders of tomorrow. That's why Deloitte created WorldClass, our global initiative to apply our most important asset—the skills, talents, and experiences of our professionals—to help break down barriers to education, employment, and opportunities to ensure success in our rapidly changing economy and build a brighter future for all Canadians.

We encourage our people to help community organizations address their challenges, using the same approaches that we adopt when helping address the challenges of our clients.

This amplifies our impact by improving the ability of these organizations to serve their constituents. Our community efforts are channeled through three different areas: pro bono work, skills-based volunteering, and charitable giving.

Leveraging the strong alignment between Toronto Pearson International Airport's community investment program—the Propeller Project—and Deloitte's Corporate Social Responsibility strategy, WorldClass, Toronto Pearson and Deloitte have teamed up to develop this piece of thought leadership with the goal of initiating a collaborative discussion around the causes and impact of underemployment, as well as the potential interventions that can be deployed across the issue spectrum. This piece should be viewed as a preliminary step towards a broader discussion that will support inclusive economic growth by leveraging Canada's most valued resource—the skills, talents, and innovations of one of the most educated populations in the world.



**Gianni Ciuffo**

Partner, Civil Government & National Social Finance Leader  
Financial Advisory  
Deloitte LLP



# Underemployment as a barrier to prosperity

In recent years, Canadian governments have worked to secure the competitiveness of Canada's workforce as a means of supporting economic growth. These investments have resulted in positive outcomes, including cementing Canada's status as one of the most educated populations in the world. While investing in the quality of post-secondary graduates and workers is important, ensuring their skills are effectively located and utilized by employers is imperative to secure shared prosperity in the future. When workers are in jobs that do not adequately deploy the full breadth of their abilities, the economy is at risk of performing well below potential by missing out on the talents, productivity, ideas, and innovation of the full workforce. In addition, workers faced with these challenges are increasingly at risk to continue to struggle to find their full place within the workforce. Broadly, these scenarios of labour misallocation fall under the concept of "underemployment".

While the unemployment rate is often used as a key barometer for the economy's performance, this paper takes the view that understanding and addressing underemployment within our communities is an equally important metric for prosperity. Broadly speaking, underemployment represents how effectively the skills, experience, and capacity of the labour force are being utilized. Importantly, underemployment appears in different economic contexts and is not limited to one "type" of worker or one part of the economy. In fact, underemployment can be found across the economy and can manifest itself differently.

## A NUANCED LABOUR MARKET CONCEPT

As of September 2019, Canada's unemployment rate was sitting at just 5.5 percent, the lowest recorded rate in four decades.<sup>1</sup> This is touted by politicians and policymakers as an indicator of a strong economy and labour market, as employment and economic growth are inherently linked. Workers produce goods and services, and in turn receive wages that they can reinvest in the economy. This is why employment and unemployment rates are often used as a gauge of the strength of an economy. However, continuing to complement and improve these metrics should always be top of mind for governments.

In particular, a broader assessment of Canada's labour market performance indicates that not all Canadians are able to benefit equitably from the same supply or quality of job opportunities, growing wages, and a generally prosperous economy. Focusing exclusively on the unemployment rate does not paint a complete picture of Canada's labour market, and risks misrepresenting a large portion of the workforce facing barriers to full employment.

Underemployment is a lesser known and inconsistently tracked measure of suboptimal labour outcomes, and reveals another element of the Canadian economy and labour market. As a result, even for the individuals with lived underemployment experience, the service organizations that aim to tackle it, and other stakeholders, underemployment can be a challenging concept to understand.

Unlike other economic indicators, policy makers do not agree upon a standardized definition of underemployment. However, the Organization for Economic Co-operation and Development ("OECD"), in collaboration with other multilateral organizations working with national statistical institutes, including Statistics Canada, published international statistical guidelines and recommendations on how to view underemployment. The OECD's perspective on underemployment acknowledges the existence of two main forms of underemployment: visible and invisible.<sup>2</sup>

*The **unemployment rate** is the classic economic indicator used when discussing labour market health. It is defined as the percentage of unemployed workers in the total labour force: individuals who are not employed at all, despite the fact that they are able and willing to do so.*

## Unemployment vs. Underemployment

*Broadly, **underemployment** represents a measure of employment and labour utilization in the economy that looks at how effectively the labour force is being utilized in terms of skills, experience and availability to work.*

<sup>1</sup> Labour Force Survey, Statistics Canada, August 2019.

<sup>2</sup> Glossary of Statistical Terms, "Underemployment," OECD.

# 01

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## Introduction

Underemployment as a barrier to prosperity



# Underemployment as a barrier to prosperity



## VISIBLE UNDEREMPLOYMENT

Visible underemployment includes:

- Individuals who are *involuntarily* working less than the normal duration of work determined for the activity
- Those who are seeking or are available for additional work during a defined reference period



## INVISIBLE UNDEREMPLOYMENT

Invisible underemployment includes:

- Individuals who are working in jobs where their skills and past experiences are not adequately utilized

Using the OECD's perspective of visible underemployment, a person is considered underemployed when they are working on a part-time basis when they would prefer full-time employment, or when they are involuntarily working fewer hours. Where invisible underemployment is concerned, a person is considered underemployed when they are working at a job for which they are overqualified. In practice, measuring underemployment proves quite challenging for the following reasons:



Firstly, relevant labour force and over-qualification surveys are not undertaken by Statistics Canada on a frequent enough basis to provide relevant and usable results.



Secondly, questionnaires can be quite prescriptive, outdated, and sometimes biased towards educational mismatches, just one dimension of underemployment, especially in the current economy. As a result, surveys can risk underestimating or overstating the scale of underemployment.



Finally, survey results may not adequately take into account the full breadth of intersectionality and causes of underemployment. Thus, as of today, policy makers are not able to fully rely on a consistent, regular measure of underemployment to inform labour force optimization programs.

In different instances, researchers have either conducted detailed labour force surveys or focused on educational mismatches, but using either approach in isolation has generally provided one-sided results. The current approaches to measure underemployment can understate the importance of the issue, because in reality, most scenarios relating to underemployment have unique economic and social drivers that make the concept of underemployment difficult to neatly define and isolate.

## POTENTIAL CAUSES OF UNDEREMPLOYMENT

An individual's experience in the workforce can be shaped by several economic, social, and structural circumstances, as well as their own circumstances. Additionally, structural and individual circumstances can reinforce each other. In the context of a rapidly changing economy, it is more important than ever that these circumstances are recognized in order to set up, expand, and optimize the talent pool to maximize economic opportunity from region to region across the country.

## ECONOMIC, SOCIAL, AND STRUCTURAL CIRCUMSTANCES

In order to meaningfully address underemployment through targeted policies and programs, it is important to understand the economic, social, and structural circumstances that can drive underemployment. A number of key economic and demographic factors play a role in underemployment, including the unemployment rate, demographics, education and skills, the evolution of the economy, and overall industry characteristics.

# Underemployment as a barrier to prosperity



UNEMPLOYMENT



DEMOGRAPHICS



EDUCATIONAL  
ATTAINMENT



STRUCTURAL  
CHANGES WITHIN  
THE ECONOMY



INDUSTRY  
CHARACTERISTICS

## UNEMPLOYMENT

Unemployment and underemployment are distinct labour market outcomes that are nevertheless closely interrelated. For instance, economic downturns can drive up the number of individuals in both an unemployment and underemployment situation. As individuals experience prolonged periods of unemployment throughout a downturn, they may resort to taking jobs that do not align with their preferences, skills, or preferred time commitment. Individuals faced with this scenario may seek to make ends meet in any way they can, often by picking up part-time work or full-time work where their level of education, skills, or experience are not adequately utilized.

## DEMOGRAPHICS

The distinct demographic characteristics of the population can be important drivers of underemployment in that they influence the extent to which a worker's abilities and time commitments match the needs of the economy. For example, international migration, which has been key to sustaining population growth in Canada, has also added increased pressures on the domestic labour market. As explored later in this report, there are a number of difficulties that newcomers face as they transition into the Canadian workforce that can lead to considerable underemployment. At the national and provincial levels, populations have continued to age with the median age in Ontario, increasing by more than 10 years between the 1970s and the 2010s. This is due to a variety of factors, including the elderly living longer, and declining fertility rates. The result has been an overall older workforce, one in which people may delay retirement, thus limiting opportunities for younger workers to move up within an organization or to access employment. These demographic shifts affect other economic dimensions (e.g., housing affordability, the quantity and quality of public services delivered to each household, etc.) that may directly and indirectly exacerbate the issue of underemployment.



**Ursula** had a very successful career as an architect in a boutique firm designing country homes. However, her company went bankrupt during the financial crisis. After many months looking for work she was not able to meet her mortgage payments and decided to take a job as an administrative assistant at a nearby law firm.



**Hubert** works in finance as a fraud detection specialist. Due to rising costs of living, his savings are not sufficient to allow him to retire. Furthermore, his technical expertise is now outdated because of artificial intelligence becoming more dominant in fraud detection.

# Underemployment as a barrier to prosperity

## EDUCATIONAL ATTAINMENT

The level of one's educational attainment is another determining factor for underemployment. Boasting one of the highest working-age populations with some form of post-secondary education, Toronto is the second-most educated Census Metropolitan Area's ("CMA") in the region, trailing just behind Ottawa. While this supports many desirable outcomes, it may also result in increased risks of underemployment. In particular, during periods of slower economic growth, it is likely that the number of available jobs for highly skilled individuals is outpaced by the additional supply of skilled labour. When this occurs, occupational underemployment would rise as workers are pushed to find jobs in which their post-secondary knowledge and skills are less aligned with job requirements.



### *\*Real world case study*

**Saif\*** obtained a Master's and Undergraduate degree from his home country of Syria and a PhD in Biochemistry from a University in the United States. When he arrived in Canada, he was unable to find a position commensurate with his level of education, and he eventually felt compelled to accept a role as a security guard in a shopping centre.

## STRUCTURAL CHANGES WITHIN THE ECONOMY

The economy is expected to look drastically different 40 years from now due to structural changes that will alter the employment landscape. For example, technology has already begun to change the way we organize tasks into jobs. Robotics and robotic process automation have transformed manufacturing and warehouses, and digital reality technologies are helping workers transcend the limitations of distance task assignment. According to the World Economic Forum, the division of labour between people and machines is expected to continue to shift toward machines, especially for repetitive and routine tasks. That could eliminate some 14 percent of existing jobs and disrupt up to 32 percent of existing jobs, according to the OECD.<sup>3</sup> As machines occupy a larger role in repeatable tasks, and the work that people do becomes less routine, roles could be redefined in ways that marry technology with human skills and advanced expertise in interpretation and service. As a result, it is important to ensure that workers are able to keep pace with the skills they need to interact and engage with machines, as technology evolves. This is essential in order to avoid the risk of not being able to find employment due to outdated skills.



### *\*Real world case study*

**Anna\*** had been working as an administrator of a residency program at a Canadian university. After 20 years in the same role, Anna was laid-off in a departmental restructuring. Anna felt unequipped for a workforce that had changed completely. Her education and qualifications were now perceived as redundant because she was not fluent in the technology that was now considered commonplace for a similar role.

## INDUSTRY CHARACTERISTICS

The economies of both Canada and Ontario continue to evolve due to globalization, technological innovation, and other structural changes. As a result, certain sectors will expand and be able to create or retain more employment opportunities than others. While these emerging sectors may provide more jobs over time, other sectors may struggle to provide the same levels of employment that they once did. For instance, the economy has moved away from sectors associated with the production of goods, and toward service sectors. There are now five times more people employed in professional, scientific, and technical services relative to the number of jobs in those fields in the 1980s. Even after adjusting for growth in the total employment level, it is still evident that these sectors have become more dominant relative to manufacturing, agriculture, and natural resource extraction industries. For example, manufacturing in Ontario now employs only 10.6 percent of all workers, which is less than half of the 23.2 percent that it did in the 1980s. In this example of industry evolution, those who have traditionally worked in the manufacturing sector may now find themselves more susceptible to circumstances of underemployment.



**Martin** had been a mining security expert for 20 years until the mines were closed near his place of residence. Although he was highly trained, he has since found it difficult to transfer his skills to a new field. His home town has been identified as an emerging innovation and tech hub. A large part of what he learned in university is now considered outdated, and it's challenging to apply to the local job market.

<sup>3</sup> Ljubica Nedelkoska and Glenda Quintini, "Automation, skills use and training," OECD, March 14, 2018.



# Underemployment as a barrier to prosperity

## INDIVIDUAL CIRCUMSTANCES

Individuals can face underemployment challenges to differing degrees. The underemployed can be found across different segments of the population, spanning levels of educational attainment and qualifications. Underemployment therefore exists as a spectrum, representing a range of circumstances between full gainful employment and unemployment. A closer look into the lives and unique circumstances of underemployed individuals paints a broader picture.

Individuals and communities from certain socio-economic demographics are disproportionately likely to find themselves in a state of underemployment due to structural barriers, such as credential recognition (most prevalent in the newcomer population), inadequate social safety nets, or an inability to afford enabling elements that support full desired participation in the workforce—for example, housing, childcare, and/or transit costs. These barriers, often associated with an inability to find employment, apply equally to individuals who participate in the workforce but are not fully utilized as a result. A number of populations have been identified to be more likely to be exposed to underemployment due to the unique barriers that they face.<sup>4</sup>



### 01 WOMEN

01

Women are particularly susceptible to encountering underemployment as a result of being unable to find roles that reflect their optimal commitment preference. In particular, national statistics demonstrate that women are at a higher risk of being involuntarily part-time employed when compared to men, which substantially increases the likelihood of women becoming underemployed due a variety of factors.

Firstly, although the paradigm is changing, women have typically had greater caregiving responsibilities, spending more than twice the time that men do on unpaid childcare.<sup>5</sup> These substantial family responsibilities inhibit women from full-time employment, as many roles have traditionally not provided the level of flexibility required to allow for the achievement of both.

Secondly, even if women are able to balance family and work responsibilities in a manner that enables them to work full-time, if they are in roles in which wages do not fully offset the cost of child or family care, the incentive to work at a full-time pace may be diminished.

Finally, due to a variety of factors including family responsibilities, skills or credential gaps relative to men, occupational segregation (i.e., societal pressures that may influence the choices women make when deciding which fields/occupations to pursue), women can be predisposed to roles that are at risk of structural shifts such as automation.<sup>6</sup> In fact, it is well documented that due to a variety of economic and non-economic reasons, there is a persistent shortage in the number of women pursuing advanced degrees in science, technology, and applied fields (e.g., electrical engineering).<sup>7</sup>

<sup>4</sup> Based on populations cited in stakeholder consultations.

<sup>5</sup> Statistics Canada study, 2010.

<sup>6</sup> "Women's work faces the greatest risk of automation, says new research," World Economic Forum, 2019.

<sup>7</sup> "The engineering mystery: Where are the women?" by Donna Gray, The Globe and Mail, March 6, 2019.

# Underemployment as a barrier to prosperity

01

## WOMEN (continued)

As a result, many women do not feel they are adequately prepared with the skills they need to keep up. Thus it was not surprising that a 2019 survey by Randstad Canada found that 30 percent of employed women across all sectors expect they will lose their jobs within the decade due to advances in technology, such as automation and artificial intelligence. Women employed in the manufacturing sector actually feel the greatest vulnerability: 62 percent believe their industry bears the greatest risk of job losses due to advances in technology in the next decade. As previously discussed, increased levels of unemployment will also lead to increased risks of underemployment across society.<sup>8</sup>

02

## YOUNG ADULTS

Young adults face substantially higher levels of underemployment, due to their overall lack of experience. This lack of experience manifests itself in underemployment in two distinct ways. First, given their lack of experience, young adults are more susceptible to time-related underemployment, whereby they are employed in part-time roles but would rather be in full-time roles. Secondly, young adults can be most vulnerable in times of economic distress, which can lead to unemployment, creating circumstances that may lead to underemployment even once the economy recovers and they can return to employment opportunities. For instance, a young person may be more likely to accept a role below their skillset in times of economic distress; the overall supply of jobs that align to their experiences decreases as those with greater experience in the field assume those roles.

03

## NEW CANADIANS

New Canadians can encounter barriers to accessing jobs within their fields due to challenges related to credential recognition, language barriers, lack of soft skills, lack of existing social and professional networks, and the correct valuation of foreign experience by Canadian employers. According to figures published by Statistics Canada, the unemployment rate for newcomer immigrants with a post-secondary degree is more than double that of those born in Canada, which can place them at higher risk of underemployment relative to peers born in Canada. One study by the Conference Board of Canada estimates that the negative economic impact of those who are working but underemployed due to lack of learning recognition is equivalent to approximately \$5 billion. As Canadian economic growth becomes increasingly driven by immigrants as a result of the country's aging population and low birth rate, integration of this essential component of the workforce into the economy is imperative.

04

## LOW INCOME EARNERS

While underemployment leads to lower incomes, it is important to acknowledge that a low income can lead to underemployment because it can often limit the extent to which an individual can pursue retraining, invest time into self-teaching or networking, or conduct an extensive job search to find a more ideal position. Moreover, when one's income is low, they may be less able to take risks (e.g., entering a new field). The important consideration is that a large share of the workforce that would be considered low-income earners are in fact often qualified for roles that are not only higher paying, but that would also result in greater utilization. As a result, addressing the needs of this segment of the population should remain a high priority.

<sup>8</sup> Randstad Canada survey, 2018.

# Underemployment as a barrier to prosperity

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## PERSONS LIVING WITH DISABILITIES

Accessible workplaces and employment practices that support people with disabilities are both emerging priorities as our population ages and employers seek to support their existing employees and tap into new sources of talent. Despite this, people with disabilities are far more likely than the general population to be unemployed or underemployed. Barriers to employment include negative attitudes and incorrect assumptions about the skills and abilities of individuals, and job application procedures that are often inaccessible or difficult for persons with disabilities to use.

06

## RACIAL AND ETHNIC MINORITIES

Racial and/or ethnic minorities can encounter systemic barriers that often manifest themselves as long-term contributors to underemployment. Individuals with an ethnic background may be subject to various forms of discrimination at points in their lives and their careers, either direct or institutional, that may contribute to that individual being unable to fulfil their full employment potential. This may take the form of being outright denied access to employment opportunities as a result of bias or prejudice or by subtle systemic barriers being created that obstruct career advancement or skills development (e.g., a lack of inclusion within the workplace).

07

## INDIGENOUS PEOPLE

Indigenous people face unique barriers to employment and a variety of challenges associated with finding meaningful long-term employment. Those residing in remote communities have been more likely to experience a lack of education and training opportunities, key infrastructure, and basic services. The demographic characteristics of Indigenous communities can also shape employment opportunities. For example, the Indigenous population in northern Canada is younger and growing faster than the non-Indigenous population, and has an unemployment rate 17 percent higher due to several factors including cultural biases, poor inclusion practices, distance and isolation barriers, among others.<sup>9</sup> As a result, the Indigenous population experiences both unemployment and underemployment to a greater degree.

08

## LGBTQ+

Major steps have been made towards equality and inclusive growth. However, workplace challenges are still commonplace for lesbian, gay, bisexual, transgender and queer (“LGBTQ+”) Canadians. For instance, conscious and unconscious bias against LGBTQ+ people can prevent them from being hired. Discrimination can take many forms in the workforce, and can form barriers that may often be unintentional or subtle (e.g., a lack of inclusion within teams), but which can inhibit this population segment from reaching their full potential and can create circumstances leading to a greater degree of underemployment.

<sup>9</sup> MacLaine, Cameron, Melissa Lalonde, and Adam Fiser. “Working Together: Indigenous Recruitment and Retention in Remote Canada.” The Conference Board of Canada, 2019.

# Underemployment as a barrier to prosperity

## INTERSECTIONALITY – A PICTURE OF UNDEREMPLOYMENT IN THE COMMUNITY

Each of the dimensions contributing to underemployment should not be viewed in isolation. Underemployment must be examined through the lens of intersectionality, as those who lie at the intersection of multiple vulnerable groups often face compounded barriers to finding employment appropriate for their skills, experience, and capacity. Regardless of the type of barriers leading to, and the relative severity of underemployment, one principle is evident: underemployment accelerates lost opportunity for the economy and serves as a significant barrier to socioeconomic mobility and success for the individuals it affects. Though their names have been changed, the profiles below represent real-world experiences from individuals in the Greater Toronto Area (“GTA”) who were interviewed throughout the community stakeholder process. These profiles illustrate the impact of compounding barriers faced by vulnerable populations, as well as success experienced through existing and unique programs and initiatives.

### Anna: University administrator in a restructured role

<b>Profile</b>	<p><b>Name:</b> Anna  <b>Education:</b> Bachelors in Education and Sociology  <b>Origin:</b> United Kingdom  <b>Background:</b> Emigrated more than 16 years ago from the United Kingdom, where she attained a Bachelor’s in Education and Sociology with a focus on working with children with developmental disorders.</p>	
<b>Canadian Experience</b>	<p>As a newcomer who came to Canada on her own, Anna was without an established support network that could guide her through the subtleties of the Canadian market (e.g., industry trends, job-search best practices, etc.). She initially struggled to articulate her skills and value to employers in her field. Eventually, she was hired by a local university as an administrator of residency programs, a job that was not commensurate with her skills as an educator. This role did not provide the opportunity for upskilling or advancement, and after 20 years in the same role, Anna was laid off in a departmental restructuring. Anna then felt unequipped for a workforce that had changed completely. She was faced with the prospect of being forced to acquire additional skills since her education and qualifications were now perceived as redundant. This took a significant toll on her mental well-being.</p>	
<b>Outcomes</b>	<p>Anna reached out to a recruitment agency who helped her restructure her resume and cover letter to better align with the modern job market. Although she was able to quickly land a contract job in hospital administration, the role was once again both precarious and not commensurate with her skills and experience. As a result, Anna decided to try something unorthodox. Using techniques she learned from the agency, she revised her resume to pitch herself as an educational administrative consultant. With her revised resume and empowered perspective on her skills and experience, Anna was hired as an advisor to the same university where she was previously employed, and now has greater project management responsibility. Her happiness and quality of life improved substantially as a result, although the overall time commitment involved with making this change forced her to deviate from the personal and professional life she had initially imagined for herself.</p>	
<b>Compounding Barriers</b>	<p><b>Economic, Social and Structural Circumstances</b></p> <ul style="list-style-type: none"> <li>• Structural changes within the economy</li> <li>• Industry characteristics</li> </ul>	<p><b>Individual Circumstances</b></p> <ul style="list-style-type: none"> <li>• Woman</li> <li>• New Canadian</li> <li>• Low-income earner</li> </ul>


# Underemployment as a barrier to prosperity

## Sanjeet: Experienced corporate accountant facing compounding barriers as a newcomer

<b>Profile</b>	<p><b>Name:</b> Sanjeet  <b>Education:</b> Bachelor's in accounting, and a professional accounting designation recognized in Pakistan  <b>Origin:</b> Dubai  <b>Background:</b> Sanjeet was 45 years old and worked in a mid-sized private corporation in Dubai as the Chief Financial Officer, with substantial experience and credentials as an accountant. Sanjeet and his family had a good life in Dubai, but decided to move to Canada for the new opportunities and bright future Canada would provide for their three young sons. Sanjeet was quickly granted his visa on the basis of his education, skills, and experience, and entered the country as an economic immigrant. As such, he expected to easily land a role in his field of accounting.</p>	
<b>Canadian Experience</b>	<p>When Sanjeet arrived in Canada, neither his overseas experience nor his accounting credentials were recognized as equivalent to local experience and the Canadian Chartered Professional Accountant (CPA) designation. As such, he struggled to find employment in his field, settling instead for a job as a security guard in order to provide for his family. Realizing the only way to be able to work in accounting in Canada was to write the Common Final Examination (CFE), he decided to pursue the path of re-education, but was immediately faced with a financial barrier to this goal: the cost of obtaining this designation. Luckily, Sanjeet was able to obtain financial support through Windmill Microlending, which provides low-interest loans specifically targeted towards newcomers pursuing studies or recertification. However, while he was now financially able to pursue his education, he still faced a number of barriers to its successful completion, including his inability to take time from his low-wage position to study and the technological barriers associated with writing the exam itself. For those reasons, Sanjeet was unable to successfully pass his CFE.</p>	
<b>Outcomes</b>	<p>Due to the networking opportunities afforded him by Windmill Microlending and his experience preparing for the CFE, Sanjeet was connected with a small-business owner who hired him to perform accounting and financial management duties. Although it paid minimum wage, Sanjeet continued in the role for a year in order to have the minimum Canadian experience required by most employers. He was able to make ends meet by continuing to work nights as a security guard. By attaining that Canadian work experience, along with the completion of a tax course, he has been able find employment in the tax department of a small business. He also runs a successful personal income tax practice on the side. While he is happy that he is now more meaningfully employed than when he first arrived, he admits that due to his age (an issue compounded due to the length of time it took to rectify his employment situation) and his family obligations, he will never be able to find employment as a professional accountant in Canada, nor in any role commensurate with his experience overseas.</p>	
<b>Compounding Barriers</b>	<p><b>Economic, Social and Structural Circumstances</b></p> <ul style="list-style-type: none"> <li>• Unemployment</li> <li>• Demographics</li> <li>• Educational attainment</li> <li>• Structural changes within the economy</li> </ul>	<p><b>Individual Circumstances</b></p> <ul style="list-style-type: none"> <li>• New Canadian</li> <li>• Low-income earner</li> </ul>

# Underemployment as a barrier to prosperity

## Maris: Business analyst facing challenges with foreign credential acceptance

<b>Centre Profile</b>	<p><b>Name:</b> Maris  <b>Education:</b> Undergraduate degree in Computer Science  <b>Origin:</b> Nigeria  <b>Background:</b> Maris decided to move to Canada in 2015 to seek a new future after working as a business analyst in Nigeria for a number of years.</p>	
<b>Canadian Experience</b>   <p>LAUNCHING TECH CAREERS. TRANSFORMING LIVES.</p>	<p>When Maris arrived, she struggled to find full-time employment in her field due to her foreign credentials. Through a friend, she heard about NPower Canada and its free in-demand digital and professional skills training programs. Noticing that one of NPower Canada’s programs targeted the IT sector, which aligned with her skillset and education, she enrolled herself and was accepted into the Junior IT Analyst Program, which focused on basic tech competencies needed for entry level IT employment. While this program helped her gain the skills necessary to earn a placement in the Canadian market, it did involve a large time commitment, and she often found herself struggling to balance her education and her job at the call centre. She was faced with a difficult decision: make a change and focus on her education, or keep her survival job and risk never being employed in her industry of choice. She decided that her best option was to quit her job, rely on employment insurance, and focus on the program full-time.</p>	
<b>Outcomes</b>	<p>Fortunately, although the program demanded a significant length of time to complete, Maris was placed with an employer shortly after graduating from the program. In fact, she was matched with a large bank to work as an IT analyst, where she received on-the-job training on top of the continued mentorship and networking support provided by NPower Canada. With the help of this additional support, Maris was able to demonstrate her skillset on the job and impress her employer. Following her placement, she was offered a role as a business analyst at the bank full-time, an equivalent role to what she had in Nigeria.</p>	
<b>Compounding Barriers</b>	<b>Economic, Social and Structural Circumstances</b> <ul style="list-style-type: none"> <li>• Unemployment</li> </ul>	<b>Individual Circumstances</b> <ul style="list-style-type: none"> <li>• Woman</li> <li>• New Canadian</li> <li>• Young adult</li> </ul>

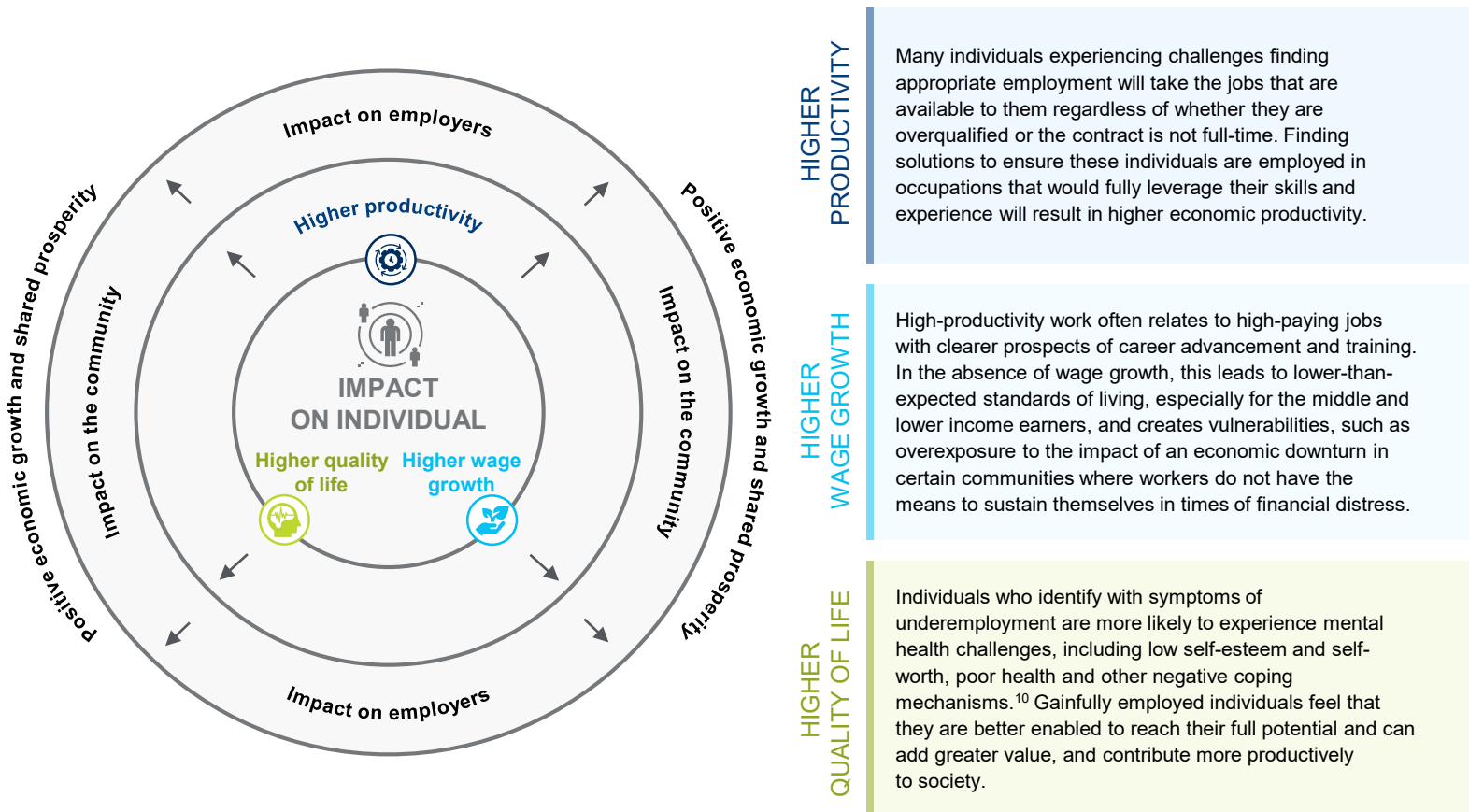
# Underemployment as a barrier to prosperity

## THE ECONOMIC IMPERATIVE FOR ADDRESSING UNDEREMPLOYMENT

Increasingly, governments are seeking to ensure that economic growth is inclusive so as to avoid policies that create or reinforce inequality. This approach differs from an emphasis on driving economic growth at any cost. Shared prosperity means that any economic improvement that results in economic growth should improve the standards of living for all segments of the population, including its poorest and most vulnerable segments.

Due to the interconnected nature of underemployment factors and the groups that they affect, designing effective interventions to address underemployment requires considering the chain reaction that is created when efforts are made to catalyze greater prosperity for individuals, their communities, the businesses that employ those communities, and the economy as a whole. In economic development, individual outcomes drive aggregate outcomes. Accordingly, over time, advancements at the individual level of underemployment can create structural changes in the economy, as seen in **Figure 1**.

**Figure 1: Catalyzing prosperity**



<sup>10</sup> Maddocks, Heather L., "Underemployment, Unemployment, and Mental Health" (2012). Electronic Thesis and Dissertation Repository.

# Underemployment as a barrier to prosperity

While underemployment is experienced by a broad array of demographics including women, young adults, low-income earners, persons with disabilities, Indigenous people, and the LGBTQ+ community, the newcomer to Canada segment is becoming increasingly urgent as immigrants become a greater share of Canada's population and labour force. Based on the current immigration rate, it is estimated that 100 percent of the country's population growth by 2033 will be driven by newcomers to Canada.<sup>11</sup> As such, a significant component of Canada's economic prosperity will be dependent on its ability to fully maximize the talents of new Canadians and set systems in place that prevent newcomers from encountering underemployment.

More broadly speaking, the impact across all populations of individuals who have struggled to have their qualifications, skills, and work experiences recognized in the labour market is substantial. It has been estimated that across at-risk groups in Canada, including both those born here, as well as newcomers, approximately 844,200 Canadians are affected by this phenomenon. It is estimated that the economy would gain \$13.4 billion to \$17.1 billion per year (or \$15,972 to \$20,136 per person) if the qualifications, skills, and work experiences of this population segment were appropriately recognized in the labour market, in conjunction with a reduction of the other systemic barriers that they face.<sup>12</sup> As Canadian economic growth becomes increasingly sustained by immigrants and other traditionally underutilized population segments as a result of the country's aging population and low birth rate, the sustained success of new Canadians will be imperative.



<sup>11</sup> "450,000 Immigrants Annually? Integration Is Imperative to Growth." Conference Board of Canada, 2017.

<sup>12</sup> Ibid.



# 02

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## Finding solutions within the community



# Finding solutions within the community


The GTA, as a major Canadian economic hub, serves as a potential sample jurisdiction of the overall national underemployment context. As such, examining the ways that the area is attempting to mitigate its underemployment issues is a useful exercise for understanding the effectiveness of existing intervention strategies as a whole. The GTA is home to a number of organizations that can assist with tackling the factors leading to underemployment, providing support through access to a large base of diversified employers and post-secondary institutions. Given the support from the surrounding community, consultations were undertaken with a variety of community stakeholders, including social service organizations, educational institutions, government stakeholders, and industry groups (see **Figure 2**).


**Figure 2: Listing of organizations consulted**





Through these consultations, four primary opportunities have been identified for consideration by policy makers, which, if addressed, would likely provide positive and tangible progress toward addressing the underemployment issue.

## Opportunities to further support the surrounding employment base

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**01 Engage employers when designing interventions for underemployment.** Working with the government and intermediary groups (such as social service organizations offering relevant programming), employers can help ensure that they absorb workers with in-demand skills into their workforce by actively helping to shape employment-related services to best reflect their needs.
- 

**02 Build sustainable wraparound and demand-driven solutions to address underemployment.** While there is a broad array of social services designed to target a specific facet of underemployment, enhancing both wraparound and demand-driven services within existing social service organizations focused on underemployment would result in longer-term and more sustainable solutions. Wraparound services represent a medium to longer-term process to ensure that people are supported to retain and advance their employment. One example of wraparound services includes the coordination of, or additional support around, enabling workforce factors such as transportation, childcare, literacy training, or English skills development.
- 

**03 Investigate alternative funding models for programs related to underemployment.** Fostering the adoption of flexible, longer-term funding models for social service organizations can shift the paradigm on how employment services are delivered, allowing for the utilization of funding in ways that maximize the impact of funds deployed.
- 

**04 Measure, track, and report on underemployment.** Underemployment is a lower-profile topic relative to other economic indicators and is inconsistently tracked by government organizations. Unlike the robust and transparent processes that exists for other labour market indicators such as the unemployment rate, reporting and analyses conducted for underemployment is sporadic, diminishing the ability for stakeholders to adequately understand the topic. Putting in place rigorous, regular reporting on the topic can help to elevate our collective ability to track the progress of in-flight initiatives and have a comprehensive year-over-year view of the topic.

# Finding solutions within the community

## 1. ENGAGE EMPLOYERS WHEN DESIGNING INTERVENTIONS FOR UNDEREMPLOYMENT

Given the socioeconomic dimensions of underemployment, incentives and programs designed to address the issue are traditionally relegated to publicly or privately funded social service organizations. However, there is a role for the business community to play in tackling underemployment. A recurring theme that consistently emerged during the stakeholder consultations was the importance of employer and industry involvement in program design and implementation. The involvement of employers supports the increase in the success rate and sustainability of interventions by helping to develop targeted training programs, ensuring a more coordinated assistance effort and more broadly matching the supply and demand of labour in the system.

One challenge that social service organizations can encounter while trying to engage with employers is that employers of different sizes have very different needs and resource constraints, which in turn affect the scope of their involvement toward addressing underemployment. While large employers may have the ability to take on larger initiatives and support their employees (i.e., bespoke programs, formal mentorships, etc.) through extensive corporate social responsibility (“CSR”) budgets, small and medium-sized businesses may not have access to the same resources that can be dedicated to these types of initiatives. To tackle underemployment, small and medium-sized businesses need to implement different strategies than large corporations because they often face capacity and resource constraints.

Employers need to work cooperatively with the government and intermediaries to ensure that there is a way to meaningfully employ workers with in-demand skills by directing and designing programs to develop those skills that industry and employers need most. There has been some success with engaging employers in developing programs and models for training, and upskilling individuals experiencing underemployment. Positive results have been seen in programs that are sector-specific, and that are designed to absorb in-demand skills, and this ultimately benefitted both individuals and employers. Potential opportunities to engage small and medium-sized businesses with addressing underemployment include government subsidies, multi-sector partnerships with industry, academia, government and not-for-profits, and support and education. Another dimension of employer collaboration that has potential to bring forth value is engaging employers to help evaluate the efficacy of in-flight programs and approaches to addressing underemployment.

With this in mind, a key first step to unlocking new, fulfilling relationships is to educate employers on the topic of underemployment and their role in addressing it. In fact, employer education, particularly around demystifying the experience and circumstances surrounding why certain individuals face a higher likelihood of underemployment has been effective in helping employers that are engaged in tailored programs to address underemployment. Additionally, this type of education could help employers develop processes to better screen candidates and unlock a talent pool that they might otherwise overlook.

One way to effectively support employer education is to clearly articulate the business and strategic benefits of employer engagement in social services tackling underemployment, particularly for small and medium-sized businesses. A business case focused on the “triple bottom line,” conceptualized as a sum derived from the overall bottom line that can be applied toward sustainable business practices and how to account for the resource constraints and objectives of these types of organizations—would help inform and articulate a clear path forward on why involvement is necessary. A business case of this nature would be driven by public sector leadership, and would best lay the groundwork for the foundational relationships through being informed by in-depth employer and social services consultations.

# Finding solutions within the community

## 2. BUILD SUSTAINABLE WRAPAROUND AND DEMAND-DRIVEN SOLUTIONS TO ADDRESS UNDEREMPLOYMENT

The GTA is home to a number of social service organizations. Examples of the support these organizations provide include assisting those who are facing barriers to employment to integrate into the Canadian job market, and providing the opportunity for meaningful, sustained employment through initiatives such as demand-driven training or wraparound services. These organizations help tens of thousands of people annually achieve their employment goals by providing them with the learning, tools, networks, and connections required to secure meaningful employment that is commensurate with their skills and qualifications.



### Social service organization

This is a not-for-profit organization dedicated to providing individuals and communities with social services.

*Example: An organization that provides at-risk populations with training, job placement services, and ongoing support to succeed in the workplace.*



### Demand-driven training

This refers to the skills development initiatives that are customized to respond directly to specific requirements of a job role for an employer or a group of employers to place trainees into a job.

*Example: As machines occupy a larger role in repeatable tasks, and the work that people do becomes less routine, demand-driven training should redefine roles in ways that marry technology with human skills and advanced expertise in interpretation and service.*



### Wraparound services

These inform part of a service delivery strategy that provides a comprehensive, holistic, client-driven way of responding to suboptimal labour outcomes. Wraparound services represent a medium to long-term process to ensure that people are supported to retain and advance their employment.

*Example: Ongoing one-on-one coaching with each training participant to identify and address needs as they emerge or change.*

In consultations, the spectrum of underemployment was viewed as broad, with individuals each facing their own unique set of boundaries to meaningful employment. This is made more challenging by existing resource restrictions, which mean that interventions are often delivered to support a generalized set of specific employment outcomes only, rather than the bespoke outcomes necessary to tackle unique issues. For example, organizations can be driven by the goal of ensuring an individual is placed within a job. Once placed, additional support, such as continued career coaching, mentoring, or training may be modest or nonexistent. This one-size-fits-all approach is often too narrow to account for the varying circumstances that have led to the individual's underemployment in the first place—e.g., lack of local context as a result of being a new Canadian, or factors such as the need to upgrade some skills, poverty, discrimination, etc.—and may do little to break down the barrier that the individual faces to overcoming these circumstances. Realizing the opportunity for improved labour outcomes means providing individuals with sustained and coordinated wraparound support through social service organizations.

Demand-driven training, or skills development initiatives customized to respond directly to specific requirements of a job role for an employer or a group of employers, is necessary to begin to provide tailored opportunities. However, it may not be enough to shift our most vulnerable jobseekers from underemployment to full employment, particularly those who seek employment in other industries. As programs are often designed to tackle both unemployment and underemployment, individuals who are presently employed may be unintentionally discouraged from participating due to having to maintain their current job, despite not being employed to their full potential. This limits the opportunity to address underemployment and build sustainable solutions through upskilling and coordinated intervention.

# Finding solutions within the community

One way to build sustainable solutions through upskilling and coordinated intervention, as identified through the social service provider community, is to embed greater wraparound services in the community. Wraparound services are tailored, client-centric medium to long-term processes that seek to ensure that people are supported to retain and advance their employment. This type of ongoing support during employment is necessary to retain skilled individuals and to support development and career progression. This solution is pointed to by program organizers throughout the region, and is cited as a significant contributor to career laddering for program graduates, which results in greater retention and advancement rates and ultimately, enhanced labour outcomes.

The effectiveness of wraparound services within workforce development initiatives, such as underemployment, has been evidenced in global research. This includes studies of workforce development programs in the United States, United Kingdom, and Australia, all of which point to the success of wraparound services that have contributed greatly to enhanced outcomes for jobseekers who face compounding barriers to meaningful employment.<sup>13</sup> These services allow for visibility into future roles that foster growth and increase retention.

## Examples of wraparound services



Ongoing one-on-one coaching with each training participant to identify and address needs as they emerge or change.



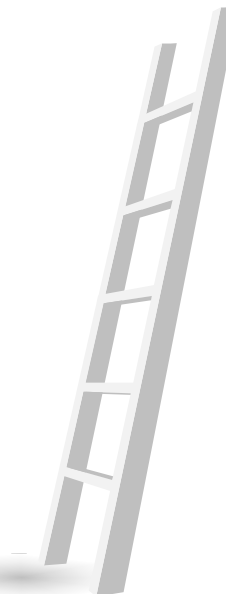
Sourcing and coordinating additional support such as transportation, childcare, literacy training, English skills, and other social service needs that are beyond the scope of traditional employment-related social service organizations.



On-the-job training and skills development.



Post-employment follow-ups, career coaching, and networking opportunities.



**Career laddering** is a formal process within an organization that allows employees to advance their careers to higher levels of compensation, responsibility, or authority. Once employees meet certain criteria, they are eligible to move on to higher-level roles.

<sup>13</sup> Carl Van Horn, Tammy Edwards & Todd Greene, "Transforming U.S. Workforce Development Policies for the 21st Century," 2015.

# Finding solutions within the community

## 3. INVESTIGATE ALTERNATIVE FUNDING MODELS FOR PROGRAMS RELATED TO UNDEREMPLOYMENT

Both public and private social service organizations can be most effective when they are supported with the appropriate level of funding in terms of overall magnitude and tenure, as well as the autonomy to utilize the funds in the manner for which they deem to be most effective.

While many social service organizations identify as being adequately funded on a yearly basis, the lack of certainty related to funding for subsequent years inhibits an organization's ability to plan programs with a longer-term outlook and can create significant uncertainty for both the organization and its clients. Organizations have suggested that effective programs can take up to three years to demonstrate meaningful results due to the time required to allow it and the individuals partaking in the program to develop meaningful relationships with employers and other partners.

Therefore, short-term funding (i.e., one year or less) can limit their ability to execute strategic programming designed to achieve sustainable, long-term outcomes. For instance, the short-term nature of funding inherently incentivizes a focus on program outputs rather than desired employment outcomes, which in turn leads to quick-win, binary employment scenarios that are less likely to be sustainable or lead to life-long careers. Ideally, the funding for programs that focus on underemployment should cover a medium to long-term horizon.

Additionally, the overall level of prescriptiveness in the designated usage of both government and private-sector funds can inhibit a social service organization's ability to make necessary adjustments to future and current programming to reflect the local context or needs of priority populations that can help increase the efficacy of interventions. For organizations that support rectifying underemployment, enhanced flexibility would allow them to use funding in ways that maximize impact, particularly if combined with longer term funding plans and time horizons.

In summary, all funding sources, including federal and provincial governments, as well as the private sector, can increase the impact of social service organizations to improve underemployment by providing longer-term funding solutions with greater autonomy over how funds are used. Additionally, innovative and alternate funding models could be explored. For example, social finance tools that leverage private sector capital to create both a financial return and a positive social impact could result in a paradigm shift in how services are delivered.



# Finding solutions within the community

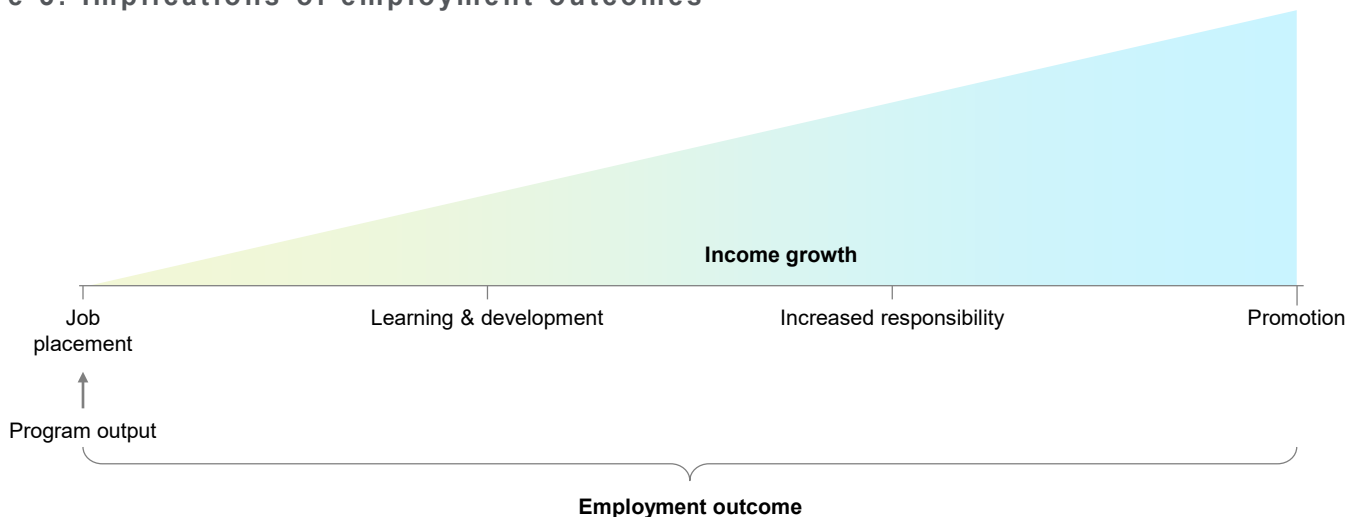
## 4. MEASURE, TRACK AND REPORT ON UNDEREMPLOYMENT

Underemployment is a lower-profile and inconsistently tracked measure of suboptimal labour outcomes in the Canadian economy. Unlike the robust and transparent processes that exist for other labour market indicators, such as the unemployment rate, reporting and analyses conducted for underemployment is sporadic. For instance, the last formal analyses published by Statistics Canada on the topic of underemployment was in 2006,<sup>14</sup> which predominately explored overqualification, just one element among several distinct and important dynamics relating to underemployment. As a result, underemployment remains an opaque and relatively misunderstood labour market concept to the general public.

As discussed earlier in the report, tracking outcomes is made difficult by the frequency of data collection, the nature of how the surveys are performed, and their overall breadth.

Given that there is currently no prescribed method for measuring, tracking, and reporting underemployment, existing programs dedicated to tackling underemployment have faced barriers to meeting the objectives that they are intended to achieve. For instance, in a review of programming related to underemployment, the **outputs**, including whether or not an individual has been placed in a new role, are widely observed and tracked due to the ease of doing so. Conversely, employment **outcomes**, such as the appropriateness of the job placement as compared with the skills and experience, learning, development, and growth opportunities, are a more significant measure of the effectiveness of the program. However, employment outcomes are not easily defined, measured, or reported.

**Figure 3: Implications of employment outcomes**



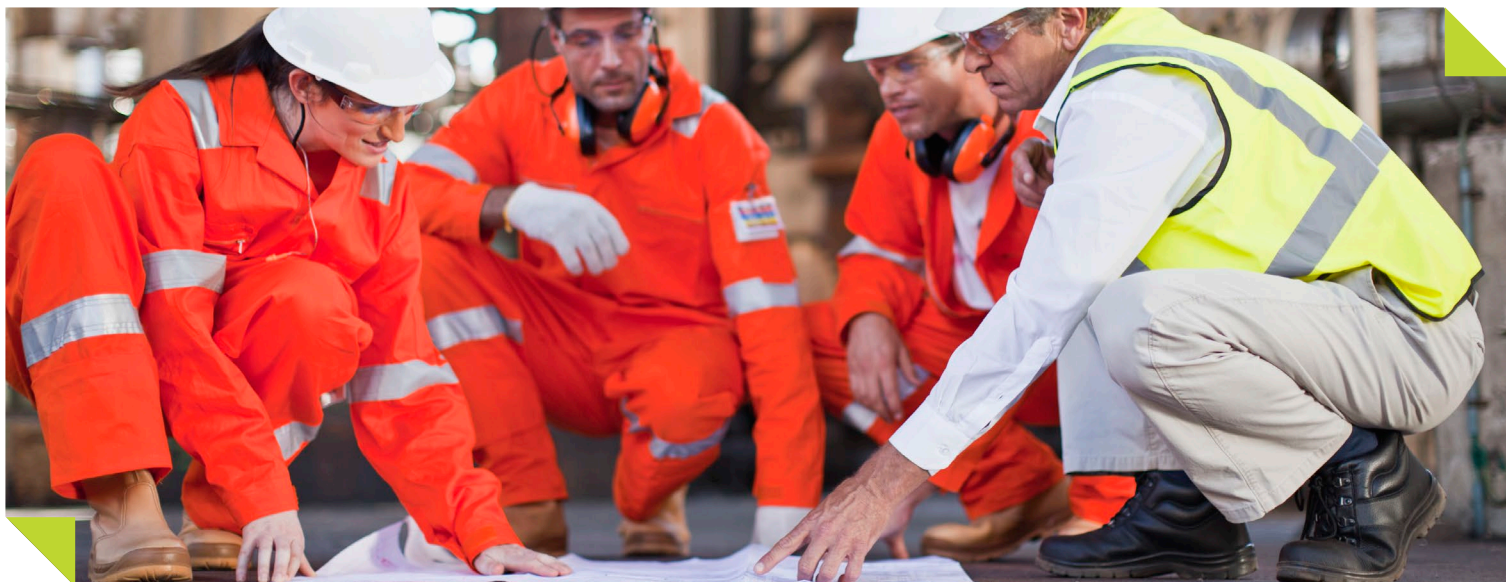
## Finding solutions for the measurement of underemployment

There is clear evidence to suggest that measuring and tracking underemployment is a highly nuanced undertaking. A clear inability to define, measure, and track underemployment has contributed to a broad level of unawareness, and while publicly funded programs with intentions to tackle this phenomenon may exist, they often establish outcomes that are not entirely aligned with the breadth of labour outcomes that underemployment represents. In conversations with the community, a number of tangible ideas were generated that could begin to address the challenges around measuring underemployment, as represented below.

<sup>14</sup>"The Dynamics of Overqualification: Canada's Underemployment University Graduates," April 6, 2006.

# Finding solutions within the community

- 01 Measuring employment outcomes versus outputs.** In the context of service and program delivery through social service organizations, the degree of program success is traditionally measured through binary tracking of outputs, such as whether or not an individual exited a program with a job or not. This method does not take into consideration nor incentivize finding meaningful employment or skill-level alignment. Thus, the current method of looking for the “fastest route to employment” for the basis of funding programs does not support long-term strategic solutions to underemployment. Program tracking through outputs has been designed in line with the traditional definition of intervention-focused support services and short-term public sector funding. Programs that focus on tracking employment outcomes as well as retention post-employment, rather than program output, will help direct funding to the programs that demonstrate dependable and sustainable results. Measuring outcomes would also help funders, such as different levels of government, have a better indication of the true social return on its funding and provide the ability to optimize deployment of resources to interventions that are proving to be effective on this basis.
- 03 Surveys on employment outcomes for participants in social service programming relating to underemployment.** Surveys that measure satisfaction with job placement, learning and development, and opportunities for increased responsibility could begin to indicate both sustainability of employment outcomes as well as career-laddering opportunities. Clients from social service organizations would be checked in with periodically after being placed in a position, ideally on a six-month interval from the time they are employed, to more than 18 months into their career. As an economic measure, surveying salary growth of individuals over time is an initiative that could be implemented and tied to the goals of social service providers.
- 02 Establishing a standardized process and cadence for measuring, tracking, and reporting underemployment through government agencies such as Statistics Canada.** While Statistics Canada does conduct ad-hoc reporting on its calculation of underemployment, the degree to which these figures can be relied upon is limited. This is due to the general uncertainty on how best to apply these metrics, and the narrow segment of the overall underemployed population that it represents. As mechanisms to collect and analyze real-time data become abundant, an opportunity to begin standardized measurement, tracking, and reporting may be emerging. Publishing data or metrics on underemployment would assist in informing policy decisions and would also generate increased awareness around this topic.





# 03

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## Conclusion



# Conclusion

Underemployment is a multidimensional issue, and as such, no single solution or policy can address it uniformly across all demographics and sectors of the economy. Furthermore, the scale of the underemployment issue is broad, given its prevalence across several parts of the workforce. Despite this, there is a clear economic imperative to ensure that the full breadth of ability in the workforce is understood, utilized, and allocated correctly. While the identified opportunities do not represent an exhaustive list of initiatives that could be undertaken to address this important economic issue, they do represent a selection of practical starting points, all of which are informed by real-world perspectives and experiences that will benefit from broader awareness and further work on this issue.

The following recommendations represent a call to action across all levels of government, existing industry providers, and the private sector to work in collaboration to achieve greater economic prosperity through the empowerment of Canada's underutilized populations.

## Engage employers when designing interventions for underemployment



The involvement of employers supports an increase in the success rate and sustainability of underemployment interventions by helping to develop targeted training programs, ensuring a more coordinated assistance effort and more broadly matching the supply and demand of labour in the system. Working with the government and intermediary groups (such as social service organizations offering relevant programming) employers can help ensure that they absorb workers with in-demand skills into their workforce by actively helping to shape employment-related services to best reflect their needs.

## Build sustainable wraparound and demand-driven solutions to address underemployment



Sustainable solutions to underemployment require a longer-term orientation, and can be achieved through a greater focus on demand-driven programs and by embedding greater wraparound services into the community. These solutions, as identified by the community, include:

- Providing resources and incentives for social service organizations to embed greater wraparound services in the programs they deliver. Wraparound services are tailored, client-centric, and medium-to long-term processes that seek to ensure people are supported to retain and advance their employment.
- Offering demand-driven training or skills-development initiatives—customized to respond directly to specific requirements of a job role for an employer or a group of employers—is necessary in order to begin to provide tailored opportunities.

## Investigate alternative funding models for programs related to underemployment



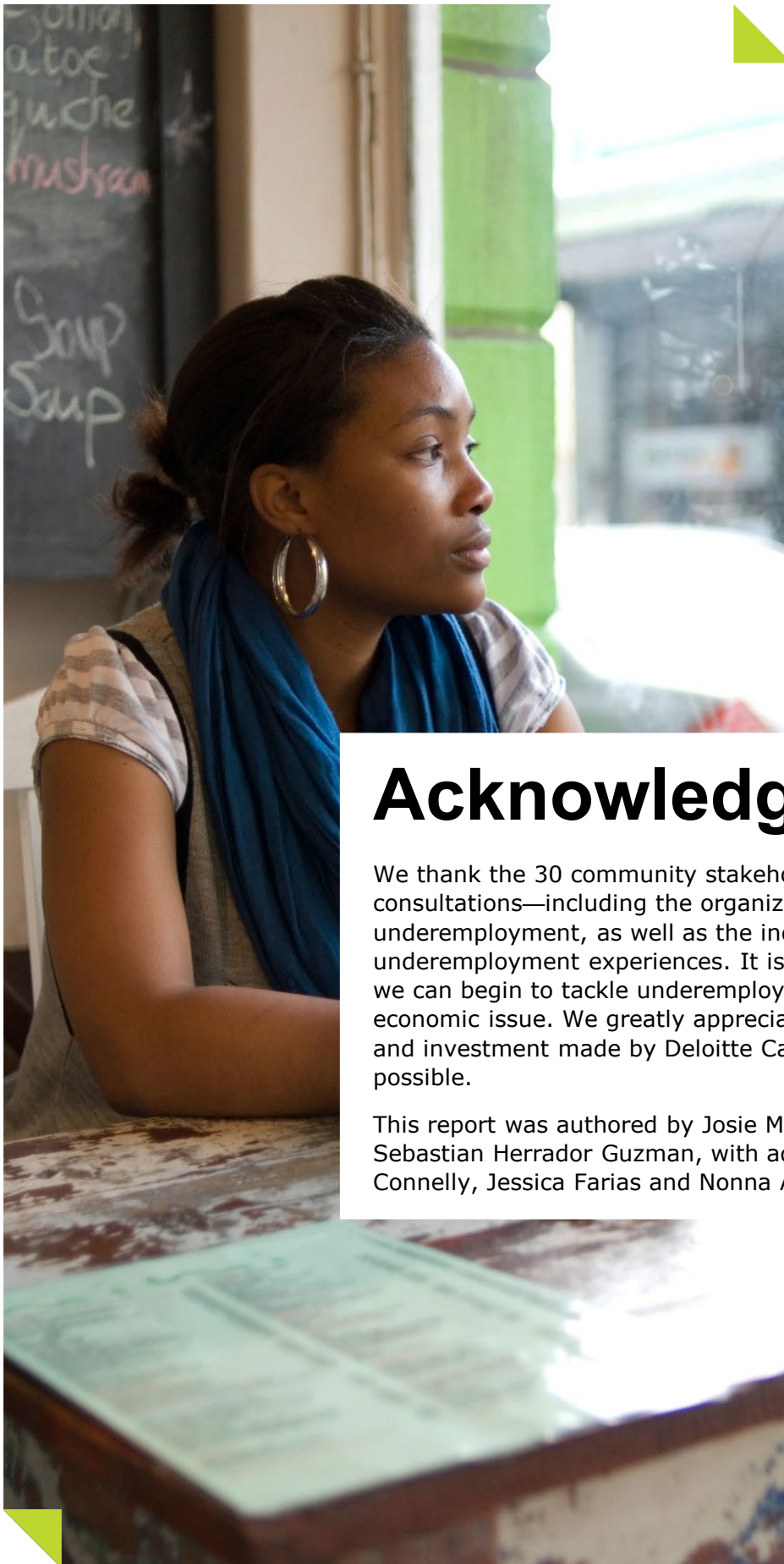
The federal and provincial governments, as well as the private sector, should seek to provide longer-term funding solutions that offer greater autonomy over the usage of the funds. Additionally, innovative and alternate funding models—such as those that incorporate social finance tools and leverage capital from the private sector—should be explored, and could result in a paradigm shift in how services are delivered.

## Measure, track, and report on underemployment



A clear inability to define, measure, and track underemployment has contributed to a broad level of unawareness. A number of potential solutions were identified by the community that, if implemented, could bring forth the beginnings of a robust and transparent measurement, tracking, and reporting process—similar to what exists for other labour market indicators, such as the unemployment rate. These solutions include:

- Measuring employment outcomes versus outputs.
- Creating surveys on employment outcomes for participants in social service programming relating to underemployment.
- Establishing a standardized process and cadence for measuring, tracking, and reporting underemployment through government agencies such as Statistics Canada.



## Acknowledgements

We thank the 30 community stakeholders that participated in the research consultations—including the organizations seeking to address underemployment, as well as the individuals that shared their lived underemployment experiences. It is with this collaboration and insight that we can begin to tackle underemployment as an often misunderstood economic issue. We greatly appreciate the generous resource contribution and investment made by Deloitte Canada, which made this initiative possible.

This report was authored by Josie McCann, Aisha Ansari, Eleni Kolovos, and Sebastian Herrador Guzman, with advisement from Anita Shinde, Robyn Connelly, Jessica Farias and Nonna Aroutiounian.



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The Propeller Project also supports good work that make our communities thrive. Through eco-related projects in local parks, to arts and culture place making activities, together with charitable organizations we are helping to create stronger, healthier and happier communities

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